



Senate

General Assembly

File No. 373

February Session, 2014

Substitute Senate Bill No. 174

Senate, April 7, 2014

The Committee on Human Services reported through SEN. SLOSSBERG of the 14th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT CONCERNING FAIRNESS IN MEDICAID ELIGIBILITY DETERMINATIONS FOR HOME-CARE CLIENTS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsection (h) of section 17b-342 of the 2014 supplement
2 to the general statutes is repealed and the following is substituted in
3 lieu thereof (*Effective July 1, 2014*):

4 (h) For purposes of this subsection, "penalty period" has the same
5 meaning as provided in section 17b-261q. An individual who is
6 otherwise eligible for services pursuant to this section shall, as a
7 condition of participation in the program, apply for medical assistance
8 benefits pursuant to section 17b-260 when requested to do so by the
9 department and shall accept such benefits if determined eligible. The
10 Commissioner of Social Services, in accordance with 42 CFR 435.915,
11 shall provide payments for Medicaid-eligible services under the
12 medical assistance program retroactive to up to three months before
13 the date an eligible person applied for such assistance, provided such
14 applicant has not made a transfer of assets for less than fair market

15 value in the sixty months before applying. If the applicant has made
 16 such a transfer, the commissioner, in accordance with 42 USC
 17 1396p(c)(1)(D)(ii), shall start any penalty period as of the later of (1) the
 18 date of the transfer that resulted in the penalty period, or (2) the date
 19 an otherwise eligible applicant applied for medical assistance and
 20 would have been receiving such assistance but for the imposition of a
 21 penalty period.

This act shall take effect as follows and shall amend the following sections:

Section 1	July 1, 2014	17b-342(h)
-----------	--------------	------------

AGE *Joint Favorable C/R* HS

HS *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 15 \$	FY 16 \$
Social Services, Dept.	GF - Potential Cost	See Below	See Below

Municipal Impact: None

Explanation

The bill will result in a cost to the Department of Social Services (DSS) associated with retroactive Medicaid payments for enrollees in the Connecticut Home Care Program for Elders (CHCPE). Eligible enrollees are those who are not subject to a penalty period as specified under the bill.

For purposes of an example, making retroactive payments for 30¹ individuals for the three months prior to their application would result in a cost of \$180,000. The net cost to the state under Medicaid would be \$90,000. This assumes an average monthly cost per enrollee of \$2,000; however, it should be noted that an individual's cost of care prior to entering the program could be higher or lower than the program's average. This also assumes the approval for such payments by the Centers for Medicare and Medicaid Services (CMS).

The cost described above could be reduced due to instituting a penalty period² associated with the improper transfer of assets. Actual

¹ Based on average monthly caseload data.

² Penalty period refers to the time during which a person is ineligible for Medicaid due to a transfer of assets for less than fair market value for the purposes of obtaining Medicaid eligibility.

savings would be dependent upon 1) the number of applicants who made improper transfers, 2) the length of each individual's penalty period, and 3) the cost of care for the Medicaid recipient.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

Sources: Department of Social Services Caseload Information

OLR Bill Analysis**sSB 174*****AN ACT CONCERNING FAIRNESS IN MEDICAID ELIGIBILITY DETERMINATIONS FOR HOME-CARE CLIENTS.*****SUMMARY:**

This bill requires the social services commissioner to provide, in accordance with federal Medicaid regulations, retroactive assistance to participants in the Connecticut Home Care Program for Elders (CHCPE) for up to three months before the date of application. Under current law, assistance is provided after an application has been approved.

The bill applies to all Medicaid eligible services. In practice and pursuant to federal law, the Department of Social Services already makes such retroactive payments for other Medicaid-eligible services, including long-term care services. This bill extends retroactive coverage to home care services.

The bill also institutes a look-back provision in accordance with federal law. If an applicant has transferred assets for less than fair market value in the 60 months prior to applying for assistance, the commissioner must enforce a penalty period before an applicant may receive assistance. The penalty period starts on the later of (1) the date of the transfer that resulted in the penalty, or (2) the date an otherwise eligible applicant applied for medical assistance. The penalty period (in months) is calculated by dividing:

1. the value of all assets transferred within the 60 months before application, by
2. the average monthly cost to a private patient of nursing facility services.

EFFECTIVE DATE: July 1, 2014

BACKGROUND

Connecticut Home Care Program For Elders

CHCPE is a Medicaid waiver and state-funded program that provides home- and community-based services for eligible individuals age 65 and older who are at risk of institutionalization. Services include care management, adult day care, homemaker services, transportation, meals-on-wheels, minor home modifications, and certain personal care and assisted living services.

COMMITTEE ACTION

Aging Committee

Joint Favorable Change of Reference

Yea 12 Nay 0 (03/11/2014)

Human Services Committee

Joint Favorable Substitute

Yea 17 Nay 0 (03/20/2014)